

RECIPROCAL STORM WATER DETENTION AND DRAINAGE AGREEMENT

THIS RECIPROCAL STORM WATER DETENTION AND DRAINAGE AGREEMENT (the "Agreement"), made and entered into as of the 1st day of December, 1998, by and between **HEWSON/DESOTO PHASE I, L.L.C.**, an Arizona limited liability company (hereinafter referred to as "Hewson"), and **WILLIAMS-SONOMA, INC.**, a California corporation (hereinafter referred to as "Williams-Sonoma");

WITNESSETH:

WHEREAS, Hewson is the owner of certain real property located in DeSoto County, Mississippi, which is more particularly described in **Exhibit "A,"** attached hereto and incorporated herein by reference (the "Hewson Property");

WHEREAS, Williams-Sonoma is the owner of certain real property located in DeSoto County, Mississippi, and adjacent to the Hewson Property, which is more particularly described in **Exhibit "B,"** attached hereto and incorporated herein by reference (the "Williams-Sonoma Property"); and

WHEREAS, a storm water detention pond (a "Detention Pond"), which straddles the common boundary line between the Hewson Property and the Williams-Sonoma Property, and an underground drainage system, which is connected thereto and which runs along said common boundary before turning and continuing in a southerly direction through the Hewson Property, serve the storm water detention needs of the Hewson Property and the Williams-Sonoma Property; and

WHEREAS, Hewson and Williams-Sonoma, for themselves, their successors and assigns, desire to enter into this Agreement in order to more particularly describe and define their respective rights with respect to the use and maintenance of the Detention Pond and underground drainage system;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Creation of Reciprocal Easements. Hewson and Williams-Sonoma hereby declare, grant and create a perpetual, non-exclusive easement (the "Drainage/Detention Easement") over and across the portions of the Hewson Property and the Williams-Sonoma Property described in **Exhibit "C,"** attached hereto and incorporated herein by reference (the "Drainage/Detention Easement Area"), owned by Hewson and Williams-Sonoma for the sole and exclusive purposes of the creation, use and maintenance of the Detention Pond and underground drainage system and of ingress and egress over and across so much of the Hewson Property and the Williams-Sonoma Property adjacent to the Drainage/Detention Easement Area as is reasonably necessary for the purpose of maintaining,

STATE MS. DE SOTO CO.
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repairing and replacing the Detention Pond and the underground drainage system (the "Detention Facilities") located within the Drainage/Detention Easement Area.

Section 2. Maintenance of the Detention Facilities. The owner of the Williams-Sonoma Property, shall be responsible for the ongoing, reasonable and ordinary maintenance, repair and replacement of the Detention Facilities including, without limitation, repairing any damage to the Hewson Property or the Williams-Sonoma Property caused by such maintenance activities. The owner of the Hewson Property shall reimburse the owner of the Williams-Sonoma Property for one-half (½) the cost of the ongoing, reasonable and ordinary maintenance, repair and replacement of the Detention Facilities. Reimbursement shall be made within thirty (30) days after receipt of written request therefor, together with such documentation as is reasonably required to support the amounts expended by the owner of the Williams-Sonoma Property and requested to be paid by the owner of the Hewson Property; provided, however, that for so long as Williams-Sonoma, one of its subsidiaries, or any permitted sublessee or assignee is leasing the Hewson Property from Hewson, then Hewson shall not be required to reimburse Williams-Sonoma for such maintenance costs, it being the intention hereof that any such lessee, sublessee or assignee shall be liable therefor. Notwithstanding any other provisions hereof, if Hewson or Williams-Sonoma or their respective successors, principals, officers, employees, contractors, subcontractors, agents, representatives, invitees, guests, tenants and licensees damage any portion of the Detention Facilities, said party responsible for said damage shall pay the costs and expenses for the repair and restoration of the damaged portion of the Detention Facilities.

Section 3. Default, Self-help and Reimbursement. In the event that either party does not fulfill its obligations under Section 2 (the "Defaulting Party"), upon reasonable notice and after the expiration of a fifteen (15) day cure period (except in the case of emergency, in which case no notice or cure period shall be necessary), the other party may perform such obligations on behalf of, and for the account of, the Defaulting Party and no liability for trespass shall accrue in such event. In the event that the Defaulting Party shall fail to reimburse such other party for the reasonable, actual cost of such maintenance and repair within thirty (30) days after receipt of written request therefor, such amount shall become a lien upon the Defaulting Party's property, or any portion thereof, benefited hereunder.

Section 4. Notice. (a) Any notices required or permitted to be given under this Agreement must be in writing and shall be sent to the address set forth in Section 4(b) below (or any other address which is provided by one party to the other by notice pursuant to this provision) and must be given by United States mail, certified, return receipt requested, by overnight courier service or by hand delivery. Any notice shall be deemed effective only upon actual receipt, but rejection or refusal by the addressee to accept delivery or the inability to accomplish delivery because the party can no longer be found at the current notice address, shall be deemed actual receipt.

(b) Address for Notice:

Hewson:

Hewson/DeSoto Phase I, LLC
4636 E. University, Suite 265
Phoenix, AZ 85034
Attention: Gary Hewson

Williams-Sonoma: Williams-Sonoma, Inc.
3250 Van Ness Avenue
San Francisco, CA 94109
Attention: Dennis A. Chantland,
Chief Administrative Officer

with copies to: Irell & Manella LLP
333 South Hope Street, Suite 3300
Los Angeles, CA 90071
Attention: J. Christopher Kennedy

Baker, Donelson, Bearman & Caldwell, P.C.
2000 First Tennessee Building
Memphis, TN 38103
Attention: Robert C. Liddon

Section 5. Use of Drainage/Detention Easement. (a) The Drainage/Detention Easement Area shall not be used for any purpose except as set forth in Section 1 and no fence, building, structure, barrier, or debris shall be erected thereon or permitted to obstruct the use thereof, which would unreasonably interfere with the use and enjoyment of the Drainage/Detention Easement.

(b) As of the date of this Agreement, the Detention Facilities have been engineered in accordance with the drainage plans identified as "Site Plan," "Grading & Drainage Plan," "Erosion Control Plan," and "Construction Details" on that certain cover sheet to the plans and specifications for the project being constructed on the Hewson Phase I Property entitled "Williams Sonoma Phase I Plan by Owens Engineering." In the event either Hewson or Williams-Sonoma alters or otherwise adjusts the Hewson Property or the Williams-Sonoma Property, as the case may be, which results in an increase the volume of storm water flowing from such property to and through the Detention Facilities, then the party so altering or modifying its property shall be responsible for making such upgrades or alterations as are necessary for the Detention Facilities to accommodate the increased volume of water. In the event the Detention Pond is being utilized to its maximum capacity at the time of the increased need, then, the party creating the increased need, shall be responsible for providing an alternative drainage system for such party's additional drainage needs, such alternative to be located on the property owned or leased by the party requiring additional capacity and constructed and installed in accordance with all applicable laws, rules, ordinances and regulations and at the sole cost and expense of the party requiring additional capacity.

Section 6. Covenants Running with the Land. The easements hereby granted, and the agreements herein contained, shall be easements running with, appurtenant to, and burdening the Hewson Property and the Williams-Sonoma Property as applicable and shall inure to the benefit of and shall be binding upon Hewson and Williams-Sonoma, their respective successors and assigns, and successors-in-title, including, without limitation, all subsequent owners of each property, and all persons claiming under them as applicable.

Section 7. No Dedication to Public. Nothing contained herein shall be deemed to constitute any dedication to the public or for public use of the Drainage/Detention Easement Area. This Section 7 may be enforced in equity.

Section 8. Modification or Amendment. No provision of this Agreement may be released, subordinated, modified, rescinded or amended in whole or in part without the written consent of all of the owners of the property for whose benefit the provision exists and/or upon whose real property or interest the provision is imposed.

Section 9. Governing Law. This Agreement shall be construed and interpreted under the laws of the State of Mississippi.

Section 10. No Waiver. Neither the failure of any party to exercise any power given such party hereunder or to insist upon strict compliance by the other party or parties with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of any party's right to demand exact compliance with the terms hereof.

Section 11. Entire Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the easements contained herein, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or incorporated herein by reference shall be of any force or effect

Section 12. Time of the Essence. Time shall be of the essence of this Agreement and each and every term and condition thereof.

Section 13. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations, and is intended, and shall for all purposes be deemed to be, a single, integrated document setting forth all of the agreements and understandings of the parties hereto, and superseding all prior negotiations, understandings and agreements of such parties. If any term or provision of this Agreement or the application thereof to any person or circumstance shall for any reason and to any extent be held to be invalid or unenforceable, then such term or provision shall be ignored, and to the maximum extent possible, this Agreement shall continue in full force and effect, but without giving effect to such term or provision.

Section 14. Counterparts. This Agreement may be executed in counterparts and each counterpart shall be considered an original but all such counterparts together shall be considered only one document.

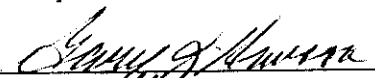
Section 15. No Merger. In the event that one entity becomes the fee simple title holder to both the Hewson Property and the Williams-Sonoma Property at the same time, this Agreement shall not terminate unless said entity records a written termination of this Agreement.

IN WITNESS WHEREOF, Hewson and Williams-Sonoma have executed this Agreement as of the day and year first above written.

"HEWSON"

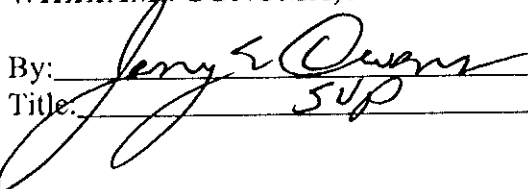
HEWSON/DESOTO PHASE I, LLC

BY: Hewson Properties, Inc., its manager

By: 
Title: CEO

"WILLIAMS-SONOMA"

WILLIAMS-SONOMA, INC.

By: 
Title: SVP

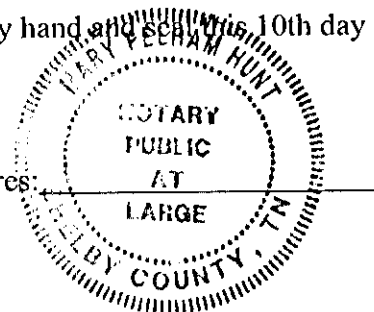
STATE OF TENNESSEE)

COUNTY OF SHELBY)

Personally appeared before me, the undersigned Notary Public, in and for the said State and County, on this 10th day of December 1998, within my jurisdiction, the within-named **Gary J. Hewson**, who acknowledged that he is the Chief Executive Officer of HEWSON PROPERTIES, INC., a California corporation, the manager of **HEWSON/DESOTO PHASE I, LLC**, an Arizona limited liability company, and that for and on behalf of the said corporation, in its capacity as manager of the limited liability company, and as its act and deed, he executed and delivered the above and foregoing instrument, after first having been duly authorized so to do.

Given under my hand and seal this 10th day of December, 1998.

My Commission Expires:



Mary Pelham Hunt
Notary Public

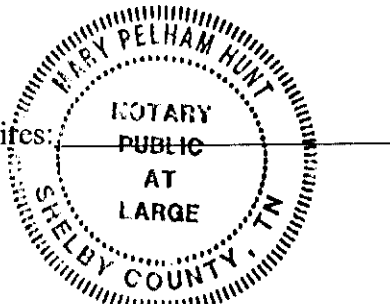
STATE OF TENNESSEE) My Commission Expires June 22, 1999

COUNTY OF SHELBY)

Personally appeared before me, the undersigned Notary Public, in and for the said State and County, on this 10th day of December 1998, within my jurisdiction, the within-named **D. A. Chantland**, who acknowledged that he is the Executive Vice President of **WILLIAMS-SONOMA, INC.**, a California corporation, and that for and on behalf of the said corporation, and as its act and deed, he executed and delivered the above and foregoing instrument, after first having been duly authorized so to do.

Given under my hand and seal this 10th day of December, 1998.

My Commission Expires:



Mary Pelham Hunt
Notary Public

My Commission Expires June 22, 1999

EXHIBIT "A"

Hewson Property Description

LOCATED IN DESOTO COUNTY, MISSISSIPPI:

BEING A SURVEY OF PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER, PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 25, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE S89°32'11"W ALONG THE NORTH LINE OF SAID SECTION 25 A DISTANCE OF 80.00 FEET TO A POINT; THENCE S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25 A DISTANCE OF 491.49 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25 A DISTANCE OF 1485.00 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 1957.52 FEET TO A POINT; THENCE N00°46'30"W A DISTANCE OF 1484.99 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 1964.19 FEET TO THE POINT OF BEGINNING AND CONTAINING 2,911,841 SQUARE FEET OR 66.847 ACRES.

EXHIBIT "B"

Williams-Sonoma Property Description

LOCATED IN DESOTO COUNTY, MISSISSIPPI:

BEING A SURVEY OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, PART OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, SECTION 25, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY MISSISSIPPI AND PART OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 24, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE S89°32'11"W ALONG THE NORTH LINE OF SAID SECTION 25 A DISTANCE OF 80.00 FEET TO THE POINT OF BEGINNING; THENCE S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25 A DISTANCE OF 491.49 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 1964.19 FEET TO A POINT; THENCE N00°46'30"W A DISTANCE OF 1351.48 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 1965.03 FEET TO A POINT; THENCE S00°51'56"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 24 A DISTANCE OF 860.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 2,656,423 SQUARE FEET OR 60.983 ACRES.

EXHIBIT "C"

Drainage/Detention Easement Area

BEING A SURVEY OF PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER AND PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 25, TOWNSHIP 1 SOUTH, RANGE 6 WEST, DESOTO COUNTY, MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE S89°32'11"W ALONG THE NORTH LINE OF SAID SECTION 25, A DISTANCE OF 80.00 FEET TO A POINT; THENCE S00°31'04"E ALONG A LINE THAT IS 80.00 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 25, A DISTANCE OF 1926.49 FEET; THENCE S89°13'30"W A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S89°13'30"W A DISTANCE OF 20.00 FEET TO A POINT; THENCE N00°31'04"W A DISTANCE OF 946.64 FEET TO A POINT; THENCE N15°53'35"E A DISTANCE OF 52.42 FEET TO A POINT; THENCE N00°31'04"W A DISTANCE OF 286.60 FEET TO A POINT; THENCE N31°43'56"W A DISTANCE OF 60.72 FEET TO A POINT; THENCE N24°31'28"W A DISTANCE OF 98.84 FEET TO A POINT; THENCE S89°28'56"W A DISTANCE OF 107.37 FEET TO A POINT; THENCE S00°31'04"E A DISTANCE OF 36.48 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 420.00 FEET TO A POINT; THENCE N45°46'30"W A DISTANCE OF 14.14 FEET TO A POINT; THENCE S89°13'30"W A DISTANCE OF 455.00 FEET TO A POINT; THENCE N00°46'30"W A DISTANCE OF 50.00 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 435.00 FEET TO A POINT; THENCE N44°13'30"E A DISTANCE OF 42.43 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 420.40 FEET TO A POINT; THENCE S00°31'04"E A DISTANCE OF 38.52 FEET TO A POINT; N89°28'56"E A DISTANCE OF 117.11 FEET TO A POINT; THENCE S24°31'28"E A DISTANCE OF 6.51 FEET TO A POINT; THENCE S24°31'28"E A DISTANCE OF 101.12 FEET TO A POINT; THENCE S31°43'56"E A DISTANCE OF 39.85 FEET TO A POINT; THENCE N00°31'04"W A DISTANCE OF 126.73 FEET TO A POINT; THENCE N89°13'30"E A DISTANCE OF 17.50 FEET TO A POINT; THENCE S00°31'04"E A DISTANCE OF 441.11 FEET TO A POINT; THENCE S15°53'35"W A DISTANCE OF 52.42 FEET TO A POINT; THENCE S00°31'04"E A DISTANCE OF 943.67 FEET TO THE POINT OF BEGINNING AND CONTAINING 93,951 SQUARE FEET OR 2.152 ACRES.

Prepared By:
W. Scott Young, Esq.
165 Madison Ave, Suite 2000
Memphis, TN 38103
901/577-2180